

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-753-C - ORDER NO. 95-81✓
JANUARY 23, 1995

IN RE: MCI Telecommunications Corporation -) ORDER
Revisions to its SCPSC Tariff No. 2) APPROVING TARIFF
(Ref. Tariff No. 94-309).) REVISIONS

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of MCI Telecommunications Corporation (MCI or the Company) for approval of revisions to its South Carolina Public Service Commission Tariff No. 1 in the form of Tariff No. 94-309. MCI filed a request for revisions to its tariff in order to accomplish three things. First, MCI wished to make textural revisions to the existing tariff in order to eliminate references which restrict specific services for MCI, in general, to interLATA jurisdiction. Second, MCI wished to revise language associated with operator-assisted calls for MCI's Prism III service, to make reference to the operator assistance rates for Dial 1 Service. The third provision of the revision request was to revise the Commercial Dial 1 rate structure. All three were included in the request for change for purposes of efficiency and administrative economy, according to MCI.

With regard to the change in tariff language, according to MCI, the change is an administrative cleanup made in order to provide accurate references in MCI's tariff to coincide with the

Commission's Order No. 93-462 in Docket Nos. 92-182-C, 92-183-C, and 92-200-C. Those Dockets were the Applications of MCI, AT&T, and Sprint for authority to provide intraLATA telecommunications service within South Carolina. Order No. 93-462 approved a Stipulation, with certain limits on the intraLATA authority granted. Before Order No. 93-462 was issued, MCI already had interLATA authority so that its tariff only made reference to interLATA authority. Since Order No. 93-462 was issued, MCI states that it is necessary to update its tariff to reflect the addition of intraLATA authority. Thus, this tariff revision, according to MCI, is simply an administrative cleanup that does not substantively effect MCI's South Carolina customers or potential customers.

The second proposed tariff revision relates to MCI Prism III. This is a one way multi-point service requiring the customer to originate calls via dedicated facilities between the customer's premise and the local telephone company's serving central office, and allowing the termination of calls via MCI provided interstate facilities and local business telephone lines. This service is, apparently, one of MCI's oldest services for commercial customers, with its introduction occurring on May 15, 1987. According to MCI, most business customers prefer one of its newer, more advanced and sophisticated services. Further, according to MCI, there are only eighteen (18) customers in South Carolina which still subscribe to MCI Prism III service. Under the current tariff, if a person at the office of a business which is on the Prism III service decides to make an operator assisted call, and requests the operator to

bill the call to that business's number which is on the Prism III service, then the charges for that call will be billed at Prism III rates. The revision to the tariff would correct the current language which is incorrect, given the logic of how such calls should be billed. Operator-assisted calls, according to MCI, should be billed out of the rate tables for operator-assisted calls, because these are a "0+" service, which is a different category in rate table than "1+" calls, such as the Prism II service.

For the proposed revision, there will be a different rate structure, since the charges for the call will be billed out of the operator services rate table instead of the rate table for Prism III service. According to MCI, as a practical matter, it is unlikely that any user would be affected by the change, since most businesses restrict employees from billing calls back to the office line. MCI wishes to make the change in the Prism III section of the tariff so that it may bring its intrastate tariff into line with its interstate tariff.

The third proposed tariff revision relates to a proposed Commercial Dial 1 tariff change, which was filed in order to revise rate structure reflecting a move from a mileage sensitive and first minute/additional minute structure to a postalized Day, Evening, Night/Weekend format. MCI Commercial Dial 1 service is a one way dial in - dial out multipoint service allowing business customers to originate and terminate calls via MCI provided local business telephone lines or other exchange access facilities. In other words, this is MCI's basic long distance service for business

customers.

Although MCI would like the first two proposed tariff revisions approved by this Commission, MCI wishes to withdraw the Commercial Dial 1 rate structure portion due to recent AT&T tariff reductions that were made in response to Southern Bell's access reductions. As a result of the Commission's Order in the earnings review docket, Southern Bell was directed to use approximately 12 million of its 1992 overearnings to reduce its intrastate access charges. The Commission specifically ordered that the originating carrier common line charge (CCLC) be lowered to the interstate level with a remainder of the funds used to lower terminating CCLC. Since these access reductions will lower MCI's cost to provide service, the Company can, in turn, pass these savings on to its customers in the form of rate reductions. In response to the Commission's Order in the earnings review docket, AT&T lowered its rates effective December 5, 1994. In addition, AT&T filed a tariff on December 20, 1994 which reduced its rates even further as a result of the Commission ordered annual access charge reductions under the CCLC capping plan. Because of these events, MCI plans to file a tariff for reductions in the cost of its services to remain competitive. Because AT&T follows a mileage sensitive rate structure, MCI would like to continue on that same structure for the near term. This will enable the Commission and consumers to see after MCI files its planned tariffs for rate reduction that it indeed reduced its rates in a competitive response to AT&T's rate reductions resulting from the Commission's actions of lowering South Carolina access charges.

Upon consideration of this matter and the entire record in this case, the Commission believes that MCI should be allowed to revise its tariff to reflect intraLATA service capability and corrected rate structure for Prism III service. MCI should also be permitted to withdraw the proposed tariff revisions to the Commercial Dial 1 rates, so that it can make a clear and consistent competitive response to AT&T rate reductions fostered by the Commission's order in the earnings review docket. The Commission believes that this action is in the public interest. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)